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Voluntary _ Public

Date: 11/14/2011

GAIN Report Number: TH1141

Thailand

Post: Bangkok

Thai Cabinet Approves Tariff Rate Quota for Three Feed Ingredients

Report Categories:

Trade Policy Monitoring

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Report Highlights:

On November 8, 2011, the Thai Cabinet approved tariff-rate quota (TRQ) for soybean meal for the years 2012-2014, corn for the year 2012, and fishmeal for the years 2012-2014.

On November 8, 2011, the Thai Cabinet approved tariff-rate quota (TRQ) for soybean meal for the years 2012-2014, corn for the year 2012, and fishmeal for the years 2012-2014 as follows:

Soybean Meal: The MFN in-quota imports for 2012-2014 are unlimited and are not subject to a window of importation period, with a two percent tariff rate as opposed to the bound in-quota tariff rates of 20 percent and of 119 percent for the out-of-quota imports. Only 8 trade associations will have access to the WTO import quota, but are responsible to purchase soybean meal derived from domestic soybean production from local soybean oil crushers at prices greater or equal than a predetermined price that's yet to be set. In addition, the Cabinet also approved zero tariff rates for imports under the Thailand-ASEAN FTA (AFTA), Thailand-Australia FTA (TAFTA), Thailand-New Zealand FTA (TNFTA), and Japan-Thailand Economic Partnership Agreement (JTEPA). Under the ASEAN-Korea FTA (AKFTA), the import quota for soybean meal is unlimited and in-quota imports are subject to 4.44 percent tariff rate in 2012, 3.33 percent in 2013, and 2.22 percent in 2014, respectively. Any imports which do not fall in any of the aforementioned categories will be unlimited, but will be charged a tariff of 6 percent plus a special charge of 2,519 baht/ton (approx. \$76/ton).

Corn: The MFN in-quota imports for 2012 are limited to 54,700 metric tons, a level committed under the WTO's AOA, with a 20 percent tariff rate as opposed to 73 percent tariff rate plus a surcharge of 180 baht/mt (approx. \$6/mt) for the out-of-quota imports. The in-quota imports under WTO are not subject to a window of importation period but only the Public Warehouse Organization (PWO) can import directly under the quota. The Cabinet also approved zero tariff rates for imports under AFTA and the Ayeyawaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) but with an import window from March 1-July 31, 2012. Tariff rates under TNFTA and JTEPA are zero. Under TAFTA, the import quota is limited to 7,696.84 metric tons with a 10.67 percent tariff, granted to PWO as the sole importer, and the out-quota imports are subject to 65.70 percent tariff. Under AKFTA, all imports are subject to 8.89 percent tariff. Under ASEAN-Japan Comprehensive Economic Partnership (AJCEP), imports from January 1-March 31, 2012 are subject to 12.70 percent tariff, as compared to 10.90 percent for the imports from April 1-December 31, 2011. Any imports which do not fall in any of the aforementioned categories are subject to a tariff of 2.75 baht/kilogram (\$92/mt) plus a special charge of 1,000 baht/mt (\$33/mt).

Fishmeal: There will be no MFN quotas for fishmeal from 2012-2014. Imports under AFTA, TAFTA, TNFTA, ASEAN-China FTA, and ASEAN-Australia-New Zealand FTA (AANFTA) are subject to zero tariffs. Under JTEPA, imports from January 1-March 31, 2012 are subject to 1.67 percent tariff, as compared to zero for the imports from April 1, 2012-December 31, 2014. Under AKFTA, the tariff rates are 10 percent. MFN and non-MFN are subject to a 15 percent tariff for fishmeal with at least 60 percent protein and 6 percent for the product with less than 60 percent protein. Under the WTO import schedule, the import quota for fishmeal with at least 60 percent are unlimited, while that for fishmeal with less than 60 percent protein is subject to an import permit approval.

Thailand imported U.S. soybean meal in value of \$87.6 million in 2010, accounting for 8.2 percent of total soybean meal imports, however it has not imported any U.S. feed corn and fishmeal in recent years.

End of Report.